



PAMBANSANG PUNONGHIMPILAN TANODBAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
1018 Manila

NHQ-PCG/CGREMS

12 December 2024

**STANDING OPERATING PROCEDURE
NUMBER 37-24**

**PROPERTY VALUATION FOR PHILIPPINE COAST GUARD REAL ESTATE
ACQUISITIONS**

1. AUTHORITY:

Republic Act No. 9993, otherwise known as the "Philippine Coast Guard Law of 2009" and its implementing Rules and Regulations dated 27 July 2009.

2. REFERENCES:

- A. Republic Act No. 10752 or "The Right-of-Way Act" and its IRR dated 07 March 2016;
- B. Commonwealth Act No. 141 or "The Public Land Act" dated 06 November 1936;
- C. Executive Order No. 292 or the "Administrative Code of 1987" dated 25 July 1987;
- D. Government Accounting Manual for National Government Agencies Volume I Chapter 10 dated 01 January 2017; and
- E. NHQ-PCG/CGREMS Standing Operating Procedure No. 16-23, entitled "Management of Philippine Coast Guard Real Estate" dated 08 November 2023.

3. PURPOSE:

This Standing Operating Procedure (SOP) establishes the procedures to ensure that all real estate acquired by the Philippine Coast Guard (PCG) is accompanied by a valid tax declaration and proper real property valuation. This is essential for accurate record-keeping, financial management and compliance with tax regulations.



4. SCOPE AND APPLICABILITY:

This SOP applies to all PCG Units and Commands receiving or acquiring real estate, whether through donation, purchase or other means.

5. DEFINITION OF TERMS:

- A. **Acquisition** – the process of obtaining ownership or control of real estate.
- B. **Appraisal** – a professional assessment to determine the fair market value of a property.
- C. **Assessed Value** – the value of the property established by the Local Government Assessor's Office for taxation purposes.
- D. **Asset** – resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.
- E. **Conditions or Restrictions** – stipulations or limitations imposed on a gift or donation.
- F. **Fair Market Value** – the price at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.
- G. **Licensed Appraiser** – an appraiser accredited by the Bureau of Internal Revenue (BIR).
- H. **Non-exchange transaction** – a transaction in which an entity either receives value from another entity without directly receiving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.
- I. **Revenue** – the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.
- J. **Donation** – an act of liberality whereby a person gratuitously disposes of a thing or right in favor of another who accepts it.
- K. **Tax Declaration** – an official document issued by the Local Government Assessor's Office that describes a property and its assessed value for taxation purposes.
- L. **Real Property Valuation** – the process of determining the market value of a property, often conducted by licensed appraisers.



- M. **Valuation Report** – a comprehensive valuation report detailing the property’s characteristics, the valuation method used and the basis for the fair market value conclusion.

6. PROCEDURES

A. Initial Offer in Sale or Donation

- i. The potential donor/seller expresses an intent to donate/sell real property to the PCG.
- ii. The receiving PCG Unit conducts due diligence, verifying ownership and the property’s condition.

B. Pre-acquisition Due Diligence

- i. Verification of Tax Declaration

Before acquiring any property, the Administrator (PCG Command/District/Station/Sub-Station) must verify the existence and accuracy of the tax declaration with the relevant Assessor’s Office.

- ii. Real Property Valuation

When the tax declaration is unavailable, the Administrator (PCG Command/District/Station/Sub-Station) must obtain a professional real property valuation or up-to-date tax declaration from a licensed appraiser who must provide a valuation report for a proper fair market value conclusion.

- iii. Ocular Inspection

- a. The concerned PCG Unit/Command/District shall conduct an ocular inspection of the real property to determine its actual use, the existence of any fixed improvement, individuals claiming as adverse owners or tenants, or anything that would create an impression of legal impediment in the acquisition of the real property.
- b. In case of adverse findings, the concerned PCG Unit/Command/District shall report the matter in writing, within five (5) working days, to the Coast Guard Real Estate Management Service (CGREMS) and Coast Guard Legal Service (CGLS).

C. Documentation Requirements

- i. Donation
 - a. Deed of Donation;
 - b. Updated Tax Declaration; and
 - c. Proof of ownership.



- ii. Purchase
 - a. Deed of Sale;
 - b. Updated Tax Declaration; and
 - c. Proof of ownership.
- iii. Other Modes of Acquisition (e.g. patents, accretion, reclamation, expropriation)
 - a. Relevant legal documents; and
 - b. Updated Tax Declaration.

D. Acceptance of Donation, Sale or Other Mode of Acquisition

- i. Upon reviewing the documents and appraisal (if applicable), the Commandant, PCG decides whether to accept the donation, sale or acquisition.
- ii. If accepted, a formal Deed of Donation, Deed of Sale or other legal document is executed between the donor/seller and the PCG. If necessary, a corresponding delegation of authority shall be issued by the Commandant, Philippine Coast Guard (CPCG) in favor of the concerned PCG personnel.

E. Updating of Certificate of Titles and Tax Declarations

As far as practicable, the PCG Unit responsible for the acquisition must ensure that the concerned certificate of title and tax declaration are updated to reflect the PCG as the property's new owner and actual possessor.

F. Record-keeping and Safekeeping

- i. The property details, including the owner's copy of Certificate of Title, Tax Declaration, appraisal value (if any), documents evidencing transfer and other proof of ownership of the acquired property shall be submitted to CGREMS, within one (1) month upon availability thereof, for recording in the CGREMS database and safekeeping.
- ii. The concerned PCG unit shall likewise store and safekeep duplicate copies of the above-mentioned documents for record purposes. In case of a Certificate of Title, it shall secure an electronic copy of the Certificate of Title from the Registry of Deeds (ROD).



G. Reporting

- i. The acquisition of real property shall be reported by the CGREMS, within one (1) month upon availability of pertinent documents, to the Coast Guard Accounting Service Office (CGASO) for proper recording in the PCG's Book of Accounts.

7. RESPONSIBILITIES AND ACCOUNTABILITIES

A. Administrator (PCG Command/District/Station/Sub-Station)

- i. Primarily responsible for conducting due diligence before acquiring any real estate. This includes verifying the property's ownership, legal status and physical condition.
- ii. Tasked with obtaining all necessary documents, such as Deeds of Donation or Sale, or other legal documents, and the most recent Tax Declaration from the Assessor's Office.
- iii. In cases where professional appraisal is required, the Administrator shall be responsible for initiating, funding and coordinating this process.
- iv. After the acquisition, as far as practicable, the Administrator must ensure that the Certificate of Title and Tax Declaration are updated to reflect the PCG as the new owner and actual possessor. To this effect, the PCG Unit shall coordinate with the Registry of Deeds and Local Assessor's Office for processing of the said documents.
- v. To submit to the CGREMS, within one (1) month upon availability, the owner's copy of Certificate of Title and original copies of Tax Declaration, appraisal value (if any), documents evidencing transfer, and other proof of ownership of the acquired property for recording in the CGREMS database and safekeeping.

B. CGREMS

- i. Maintain a centralized database of all PCG real estates, including details of valuations. This ensures that there is a single, comprehensive record of all PCG properties.
- ii. Responsible for monitoring compliance with the SOP. This includes ensuring that all PCG Units follow the correct procedures for acquiring and valuing real estate and that all necessary documentation is submitted and recorded correctly.



- iii. Guide PCG Units on matters related to Tax Declarations and valuations. This could involve clarifying procedures, interpreting regulations or providing advice on specific cases which they can refer to the NHQ-PCG/CGREMS Standing Operating Procedure No. 16-23 dated 08 November 2023.
- iv. Promptly report to the CGASO the proper valuation of properties when acquired.
- v. Safekeep and secure the owner's copy of the Certificate of Titles, original copies of Tax Declarations, appraisal values (if any), documents evidencing transfer, and other proof of ownership of the acquired real properties.

8. REVISION/AMENDMENT CLAUSE:

This policy shall be reviewed annually or as needed to ensure its relevance and effectiveness.

9. RESCISSION CLAUSE:

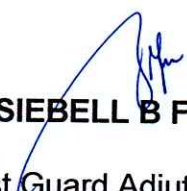
All previous policies, rules and regulations inconsistent with this SOP are hereby rescinded.

10. EFFECTIVITY:

This SOP shall be implemented effective 27 December 2024.

BY COMMAND OF ADMIRAL GAVAN PCG:

HOSTILLO ARTURO E CORNELIO
RADM **PCG**
Chief of Coast Guard Staff


JAYSIEBELL B FERRER
CDR **PCG**
Coast Guard Adjutant

